GOVERNMENT OF INDIA
LABOUR
LOK SABHA

UNSTARRED QUESTION NO:2232
ANSWERED ON:29.07.2002
CLOSURE OF INDUSTRIAL UNITS
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Will the Minister of LABOUR be pleased to state:

(a) the number of industrial units lying closed in the country at present, State-wise;

(b) the main reasons of the closure of these industrial units;

(c) the number of employees rendered jobless, alongwith the mandays lost as a result thereof and loss of production suffered during each of the last three years; and

(d) the steps being taken/proposed to be taken by the Government to revive those units and provide jobs to these unemployed workers?

Answer

MINISTER OF STATE IN THE MINISTRY OF LABOUR (SHRI ASHOK PRADHAN)

(a) & (b): Based on the information provided by Labour Bureau, the state-wise position in respect of number of closure during 2001 and 2002 (January-May) is annexed. Financial stringency, lack of demand and shortage of raw materials are the main reasons for closure.

(c): The number of workers affected due to closures was 15707, 11904 and 11017 during 1999,2000 and 2001 respectively. Once permanent closure is effected, the question of mandays lost and production loss does not arise.

(d): Closure of units is normally effected only after all options for revival/rehabilitation have been explored. Safeguards are provided under the Industrial Disputes Act, 1947 to protect the interests of workers affected by such closures. A scheme for counseling, retraining and redeployment of rationalized workers of Central Public Sector Undertakings was also introduced in 2001-02 with a thrust on self employment of the rationalized employees.